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A handwritten signature in dark ink, appearing to read "M. Phelan". The script is fluid and cursive, with the first letter of the last name being a large, stylized capital 'P'.

Margaret Phelan
Circulation Manager

Year of Crisis

Cutbacks Hurt Most

By Edward J. Bride
CW Staff Writer

The year of the C's: cutbacks, computer announcements, consumerism, crises. The year has come and gone, leaving computer users and other segments of society in a recession, but with a bevy of new computers to help stimulate the economy for the coming year.

Financial cutbacks had the major influence on the computer community last year, as users were forced to postpone equipment acquisition, software development, and even feasibility studies.

Corporate structures, where many of the DP centers are slotted, were the first targets.

Travel, expansion, and conference exhibit budgets were slashed. Few were untouched, and there is no really positive indication that 1971 will break from the present plateau.

Some users cut back on their staff, and manufacturers cut back on production workers because of decreased backlogs.

All the major manufacturers had major announcements, resulting in the biggest hardware year since 1965. "Keeping salesmen busy" was offered as a secondary motive for the announcements, and the new computers are expected to provide

much-needed sales activity.

Some users and consultants are calling the current breed the "next" (fourth?) generation. The makers more modestly refer to their new products as "evolutionary" rather than "revolutionary" and all manufacturers emphasized, in one way or

(Continued on Page 4)

Canada Builds Debtor Data Bank

By a CW Staff Writer

TORONTO, Ont. — A debtor's data bank is being assembled under the auspices of the provincial Department of Justice and, when completed in three years, it will provide information to anyone who wants it, for \$2 per search.

Government officials said there had been some objection to the system, but attributed problems to "misunderstanding" of the essence of the data bank. A spokesman for the Ontario Government said there would be no "credit" information in the data bank, which will be restricted to the following three items:

- Sales contracts of \$300 or more.
 - Chattel mortgages (using belongings, rather than property as collateral).
 - The assignment of book debts by companies.
- Most automobile loans will be included in the data bank, under the second category.

Forty-eight county and district files will be converted onto the Personal Property Security Registration System, which will keep track of about 800,000 loans, or \$2.4 billion annually.

Under the system, a person seeking information will be assigned an account number with the government, and will use the account number in

Revenue Service computer tapes containing thousands of tax records were erased by airport radar last spring, and some of the data has not been restored yet.

The then brand-new computer center here is "within a couple hundred yards" of a radar installation, according to a tax official, and a consultant has revealed that inadequate grounding of metal shielding was the cause of the wipeout.

Information is still sketchy at best, since IRS officials contacted by CW would not discuss the matter, other than denying knowledge of its occurrence and promising to "look into it."

But the consultant who assisted the tax agency in revealing the problem said the IRS re-

The consultant, Henry Hoffart, also stated "hard copy" original returns and documentation from previous years had been put onto computer tapes for comparisons, and that this information, too, was lost.

Hoffart is director of electromagnetic compatibility research for Topaz Electronics, of San Diego, but was a consulting engineer for General Electric when the tax record wipeout occurred.

'Spurious Energy'

He said that if the center had had effective grounding, the "spurious energy" from the airport radar would not have affected the computer tapes.

Another consultant told CW that computer centers in "high

grounded shielding.

Hoffart criticized grounding regulations of the Army Corps of Engineers, which permit aluminum conductors for grounding. Low-conductivity aluminum allows more "noise" on a circuit, he claimed.

The Army Engineers also require only one ground for computer center, according to Hoffart, and this ground is at the entrance of the power to the building.

Hoffart noted that at the Austin, Texas, IRS center, the computer is removed by about 500 feet of cable from the ground, the processor is "sitting up in the air," making the computer a transmitter at certain wave lengths.

He said such a construction could make the computer a receiver, too.

He said inadequate shielding, or ineffective grounding of proper shielding, can compromise the security of data being processed, and receiving equipment could eavesdrop on information or other sen-

calling the Justice Department. A preliminary figure of \$2 per lookup has been set, and the person holding the account number would be billed after the searches have been implemented.

The government claims it will "discourage" inquiries which are obviously "frivolous," but did not offer any definition of security precautions against the "nosy neighbor." An official did indicate the computer system would be set up to "discourage" such inquiries.

The law authorizing the data bank provides for legal judgment and damages to be awarded if creditor should fail to have a settled debt removed from the data bank.

There are no provisions for a debtor any information, however, and he \$2, just like anyone else, if he was a government official stated

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THE NEWSWEEKLY FOR THE COMPUTER COMMUNITY

Weekly Newspaper — Second-class postage paid at Chicago, Illinois

Vol. IV No. 52 — Vol. V No. 1

December 30, 1970 — January 6, 1971

Price: \$9/year

'Suspected Companies' on Crime Commission Lists

By P.L. Carney
Special to Computerworld

On Nov. 6, 1969, the Chicago Crime Commission stated in its "Spotlight on Legitimate Businesses and the Hoods," "We recognize the right of a person to choose his associates, but when a business opens its doors to the public, it must accept the corollary right of the public to know with whom it is doing business.

"When a business open to the public is owned or operated by known members of the crime syndicate, keeps among its officers, directors, and employees persons who have a direct relationship with the syndicate, or countenances open meetings of hoodlums on its premises, then we believe that the consumer is entitled to know these facts."

The Spotlight then names 72 businesses in the immed-

iate Chicago area which are owned or directed by known syndicate-affiliated persons.

These businesses include the expected restaurants, bars, and nightclubs, but, surprisingly enough, also include

Spotlight on Mafia DP

automobile sales agencies, insurance agencies, insurance companies, finance companies, construction firms, and building maintenance firms.

While none of the 72 named are known to have a computer, seven — just a fraction less than 10% — are known to use service bureaus.

While these are the known syndicate-affiliated companies — based upon the records of the corporate directory of the Illinois secretary of state which lists the

officers of the corporations whose names are then matched against arrest and conviction records — there are those companies known to the crime commission and the police departments of cities around the country as "suspected of being affiliated/infiltrated by syndicate-connected persons."

Corporate records do not indicate ownership or directorship by syndicate members, but officers and executives of those companies have been known to, "at times," associate with known criminals.

In the Chicago area alone, two of those "suspected companies" have computers. One has an IBM 1401, the other a 360/30 system.

It's reported that in the New Jersey area there are two CDC computers which allegedly were in the hands of the

(Continued on Page 2)

Year-End Review Issue

This is *Computerworld's* special combined year-end review issue dated Dec. 30 and Jan. 6. The next issue will be dated Jan. 13 and should reach subscribers Jan. 11.

The Year-End Supplement: Review and Forecast follows Page 10a of this combined issue and includes the Top 10 stories of 1970, articles on the computer users' adolescence, the concern for social issues, a hardware

Radar Wipes Out IRS Tapes; Consultant Cites Poor Ground

By Edward J. Bride
CW Staff Writer

NASHVILLE, Tenn. — Several, perhaps hundreds of Internal

licence was due to the fact that there were no duplicate files on some of the 1969 returns involved.

ambient areas," those near radio transmitters, for example, could experience similar difficulties, especially without adequately

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- Education/Training – New computer usage in institutions and methods of training.
- Societies/User Groups – All phases of activities in professional societies and user groups.
- Applications – Detail stories of new or unusual computer applications.
- Computer Industry – A special section devoted to the companies and people who make or supply computers, OEM products and services.
- Financial – Acquisitions, mergers and financial status of the industry and companies, including a stock trading summary and index.

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- 08 Business Services (except DP)
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- 10 Government/Military
- 12 Communications/Printing/Publishing
- 13 Other: _____

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- 04 Engineering Management
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Cordially,

W. Walter Boyd

W. Walter Boyd
Publication Manager

COMPUTERWORLD

THE NEWSWEEKLY FOR THE COMPUTER COMMUNITY

Vol. IV No. 52 - Vol. V No. 1 December 30, 1970 - January 6, 1971 Price: \$9/yr

'Suspected Companies' on Crime Commission Lists

By P.L. Conroy
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On Nov. 6, 1969, the Chicago Crime Commission issued its "Spotlight on Corporate Crime and the Streets." The report, which is a public document, lists 72 companies which are suspected of being involved in criminal activities. The list includes companies such as IBM, General Electric, and Westinghouse. The report also lists the names of the companies' executives who are suspected of being involved in criminal activities.

Spotlight on Mafia DP

While none of the 72 named are known to have a computer, even just a fraction less than 10% are known to use service bureaus. While some are the known syndicate-affiliated companies - based upon the records of the corporate directors of the Illinois secretary of state which list, the

officers of the corporations whose names are then listed against street and conviction records - there are those companies known to the state commission as "suspected of being affiliated/infracted by syndicate-connected persons."

Corporate records do not indicate ownership or disaffiliation by syndicate affiliates, but officers and executives of those companies have been known to, "at times," associate with known criminals.

In the Chicago area alone, two of those "suspected companies" have computers. One has an IBM 400, the other a J60 20 system. It's reported that in the New Jersey area there are two CDC computers which allegedly were in the hands of the

estimated on page 27

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• The assignment of book debts by companies.

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There are no provisions for a debtor to challenge any information, however, and he must pay the \$2 just for anyone else, if he wants to see his file, government officials stated.

When a searcher calls the data center, he gives his account number, and the operator will "tell up" the file of the subject on a CTR terminal, and read off the information to the caller. Information on individuals will be restricted to the name of the lien holder(s), and not the balance, original amount, or the expiration date of a debt.

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